

<p>affected by CLECs' failure to isolate troubles on loops, which causes multiple dispatches and ties up repair personnel. App. B, Tab 445 (Response to Information Request DTE-5-11); App. B, Tab 423, at Checklist Aff. ¶¶ 251-253; App. B, Tab 494, at Checklist Aff. ¶ 150.</p>	<p>direct VZ-MA technicians to the exact location of the trouble is uncontroverted in our record." DTE Eval. at 319.</p> <p>"[W]e find that VZ-MA's maintenance and repair performance is hindered by the CLECs' inability to identify the source of the trouble." DTE Eval. at 320.</p> <p>"A CLEC's inability to locate the source of a problem not only delays repairs for that CLEC but other CLECs, too." DTE Eval. at 320.</p>	<p>frequently submit maintenance and repair requests that do not identify the trouble they are experiencing with the loop, even though they are responsible for doing so. Verizon demonstrated that, from May through July 2000, 59 percent of the maintenance requests for unbundled loops were not properly isolated, and the loop was found to be okay or the problem was traced to customer premises equipment. Verizon further stated that the problem is compounded by the fact that Verizon technicians, in an effort to accommodate CLEC requests, frequently assign expedited repair appointments for CLECs that are shorter than Verizon will assign for itself. Application at 20, L/R ¶¶ 76-78.</p> <p>Verizon also filed with its application all the evidence that was included in the state record.</p>
<p><u>Fourth</u>, Verizon demonstrated that the vast majority of trouble tickets that CLECs have submitted on DSL loops were for loops where no trouble was found to exist, which needlessly ties up Verizon technicians in unnecessary appointments. App. B, Tab 445 (Response to Information Request DTE-5-11); App. B, Tab 520, at 4280 (new numbering); App. B, Tab 494, at Checklist Aff. ¶¶ 143-145; DTE Eval. App. F (VZ August 22, 2000 Response to DTE RR 323).</p> <p>Verizon provided carrier-specific data that, of all the troubles submitted by Covad between April 15 and June 15, 2000, nearly 56 percent were closed with No Trouble Found, and that in the majority of cases once Verizon told Covad this it did not issue a further trouble report. App. B, Tab 494, at Checklist Aff. ¶ 144.</p>	<p>"VZ-MA's data indicate that its . . . 'NTF' [No Trouble Found] rates are significantly higher for CLEC than VZ-MA retail customers." DTE Eval at 319-320.</p> <p>"Covad also argues that simply because VZ-MA has not found a problem from some of Covad's repeat trouble tickets does not mean trouble does not exist because it is possible that the repeat trouble ticket is still open. We disagree with this argument. It is clear to us that when VZ-MA states that 29 percent of Covad's repeat trouble tickets '<u>never</u> resulted in a found [VZ-MA] trouble,' it means VZ-MA has closed almost a third of Covad's repeat trouble tickets as NTF." DTE Eval. at 321.</p>	<p>As noted above, Verizon demonstrated in its application and Reply Comments that the vast majority of trouble reports are closed with No Trouble Found. Application at 25-26; L/R ¶¶ 102-105 & Atts. L, M; Reply Comments at 12-14; L/R Reply ¶¶ 71-72 & Att. F; G/B Reply ¶ 25.</p> <p>Verizon also filed with its application all the evidence that was included in the state record.</p>
<p><u>Finally</u>, Verizon demonstrated that its repair intervals are affected by "no access" situations, which also needlessly ties up Verizon technicians</p>	<p>"It is only logical that an unnecessary dispatch means that the VZ-MA technician is unable to attend to a bona fide request trouble that much</p>	<p>Verizon demonstrated in its application that no access situations have a disproportionate impact on DSL loops given that there are often three</p>

<p>who could be completing repairs where they could get access. App. B, Tab 423, at Checklist Aff. ¶ 202; App. B, Tab 520, at 2486, 2498-99, 2522-24 (old numbering).</p>	<p>sooner.” DTE Eval. at 320.</p>	<p>companies involved – Verizon, the CLEC, and the ISP. From April through July, Verizon was unable to gain access to the customer’s premises to complete a repair in connection with nearly 59 percent of CLECs’ complex loop repair requests compared to only 3.4 percent of the maintenance requests from Verizon’s own retail customers. Application at 25; L/R ¶ 106 & Att. N.</p> <p>In response to criticisms of Verizon’s maintenance and repair performance and attempts to rely predominately on repair interval measures, Verizon again pointed to these facts. Reply Comments at 15.</p> <p>Verizon also filed with its application all the evidence that was included in the state record.</p>
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Presentation for
Federal Communications Commission
On
Massachusetts 271 Application

DSL Loop Performance

I. Overview

- A. Verizon's overall checklist performance in Massachusetts is excellent.

The DTE has affirmed that Verizon "has met the requirements of § 271(c) of the Telecommunications Act of 1996 . . . and that the local exchange market in Massachusetts is irreversibly open to competition." DTE Eval. at 1.

- B. Verizon's overall unbundled loop performance also is excellent.

No party seriously disputes Verizon's overall unbundled loop performance. The DTE stated that Verizon has "demonstrated its ability to handle significant increases in unbundled loop volumes to meet CLEC commercial demand for UNE loops." DTE Eval. at 253.

DSL is a minority both of the total unbundled loops and of the stand alone loops that CLECs have purchased in Massachusetts.

Through July 2000, Verizon provided competing carriers in Massachusetts with a total of 56,000 unbundled loops. More than 44,000 of these loops were provided on a stand-alone basis, and only 13,000 were DSL loops.

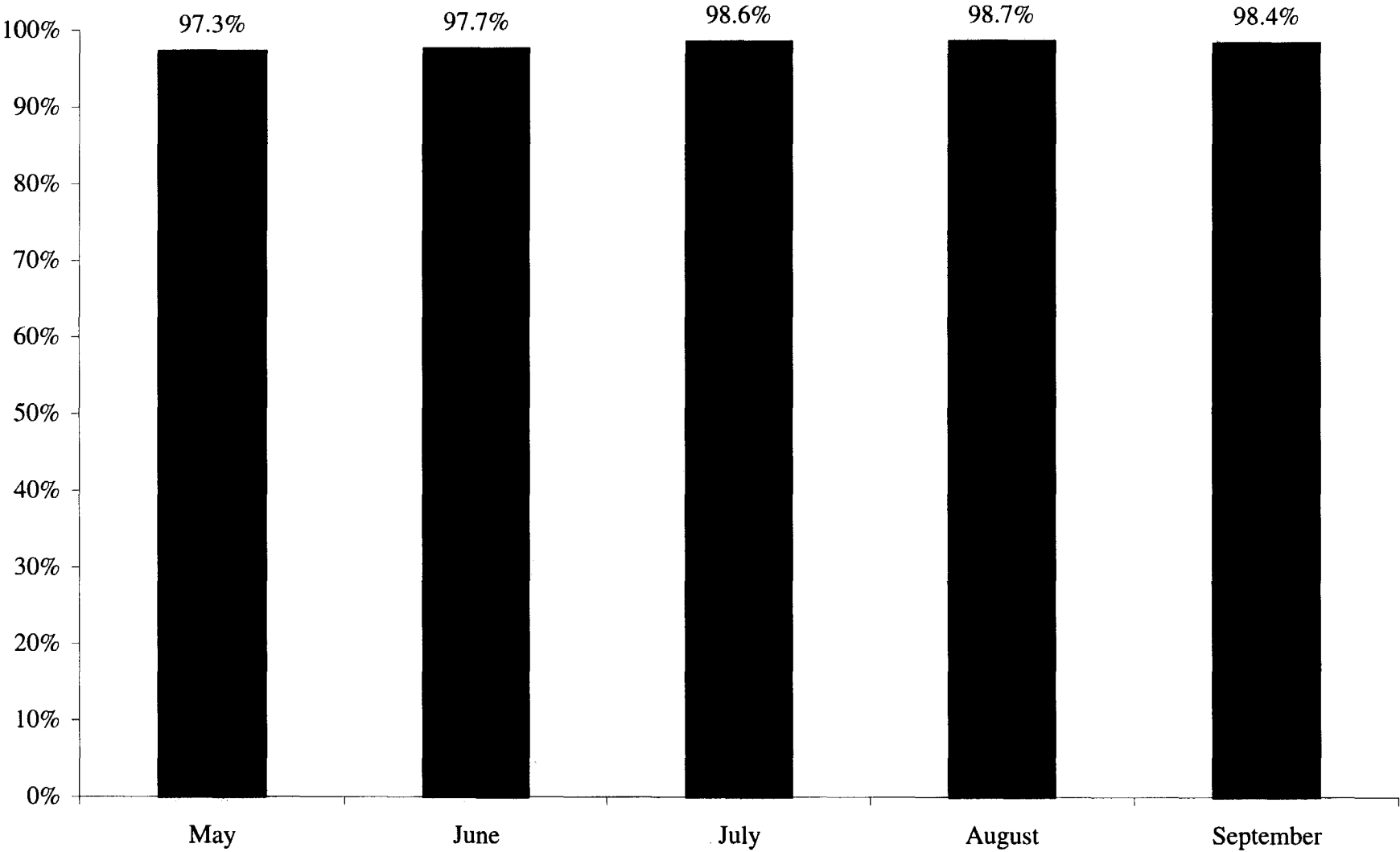
During May, June and July, Verizon provided carriers in Massachusetts with 19,800 unbundled loops. More than 13,000 of these loops were provided on a stand-alone basis, and only 4,700 of these were DSL loops.

- II. Verizon's performance on DSL loops also is strong
- A. The DTE has confirmed that Verizon's DSL performance is strong: "VZ-MA is performing as a wholesale provider should. It gives CLEC customers the service they request." DTE Eval. at 306.
 - B. Even Covad has conceded outside of regulatory forums that Verizon's DSL performance is excellent.
 - 1. In reporting its first quarter earnings, Covad told analysts that it was "getting great results" from Verizon. Transcript of Covad's 2000 First Quarter Earnings Release Conference Call at 29-30 (Apr. 18, 2000).
 - 2. In reporting its second quarter results, Covad's CEO stated that "I will give [Verizon] a lot of credit. They have done a wonderful job. I would highly commend Ivan Seidenberg's organization for really stepping up." Interview with Robert Knowling Jr. on RadioWallStreet.Com at 6 (Oct. 6, 2000).
 - C. Verizon's performance is strong in each of the four areas that the FCC previously examined in *SBC-Texas*: Order Processing Timeliness, Installation Timeliness; Loop Quality; Maintenance and Repair.

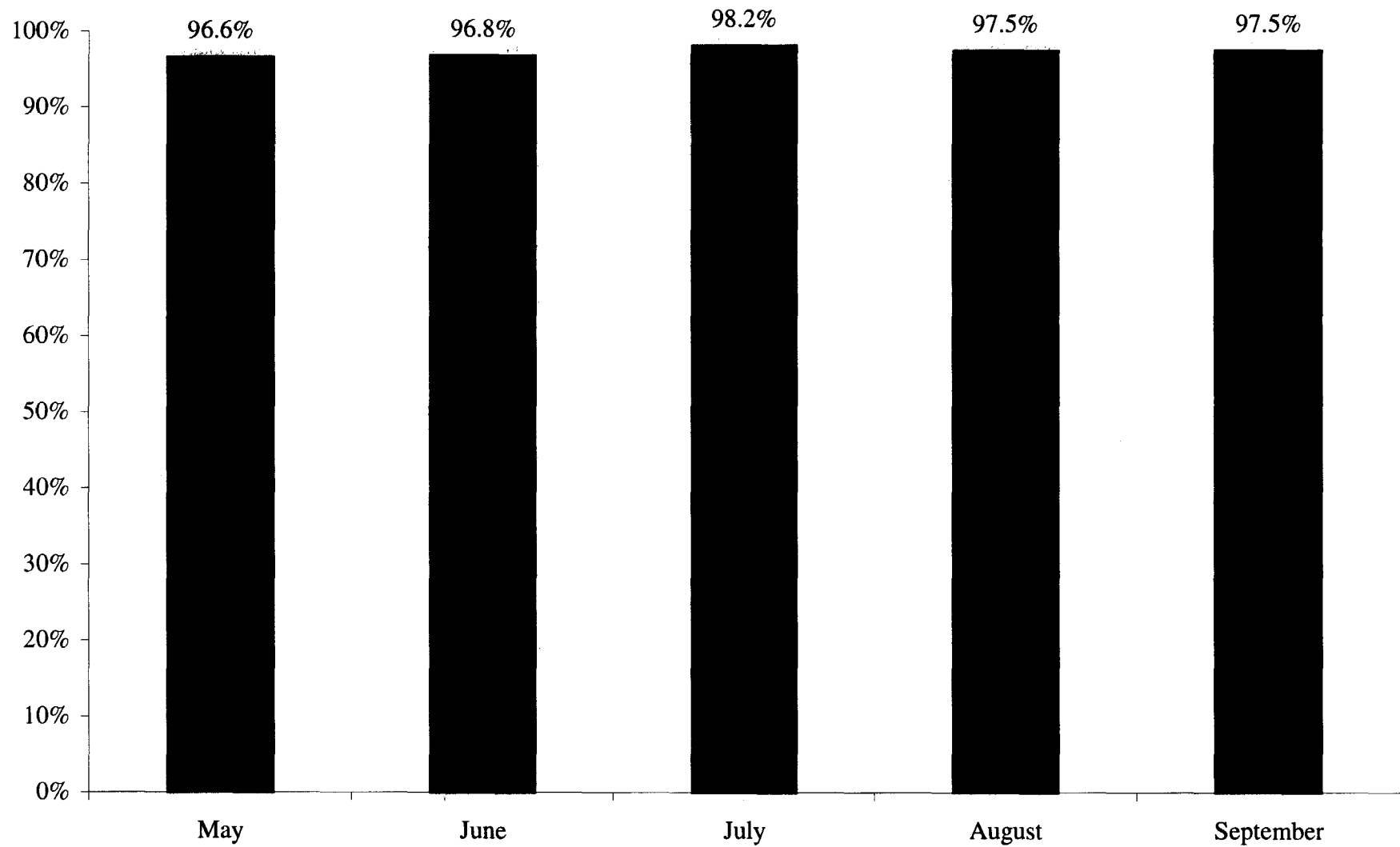
III. Order Processing Timeliness

- A. Verizon's performance for order processing timeliness is excellent.
 - 1. Verizon's timeliness of returning FOCs for DSL orders for May, June and July is 97 % or better. This is the weighted average of the reported measures, and includes loops that have and have not been pre-qualified.
 - 2. Verizon's timeliness of returning reject notices for DSL orders for May, June and July is also 97% or better. This also is the weighted average of the reported measures, including loops that have and have not been pre-qualified.
- B. No party seriously disputes Verizon's performance for DSL ordering processing timeliness.

Percent On-Time Confirmations



Percent On-Time Rejects



IV. Installation Timeliness

- A. The DTE confirmed: "VZ-MA is performing as a wholesale provider should. It gives CLEC customers the service they request." DTE Eval. at 306.
- B. The on-time measurements included in the Performance Assurance Plan (PAP) are the best measure of Verizon's on-time performance for installing new DSL loops.
 - 1. The PAP measures are based on the carrier to carrier measures, but exclude facilities misses as the Massachusetts and New York commissions concluded they should.
 - 2. Both the DTE and the New York PSC adopted the PAP measurements for the purpose of assessing financial penalties.
 - 3. The FCC previously found that measures such as this of "the missed rate of installation appointments to be the most accurate indicator of Bell Atlantic's ability to provision unbundled loops." New York Order ¶ 288.
- C. The on-time performance, measured under the PAP, in June and July was better than 95% in all categories.
 - 1. These numbers are not in dispute.
 - 2. When Covad previously disputed Verizon's on-time performance during the state proceedings, the DTE conducted a reconciliation and found that 92 percent of Covad's DSL loops were installed on time. DTE Eval. at 309.

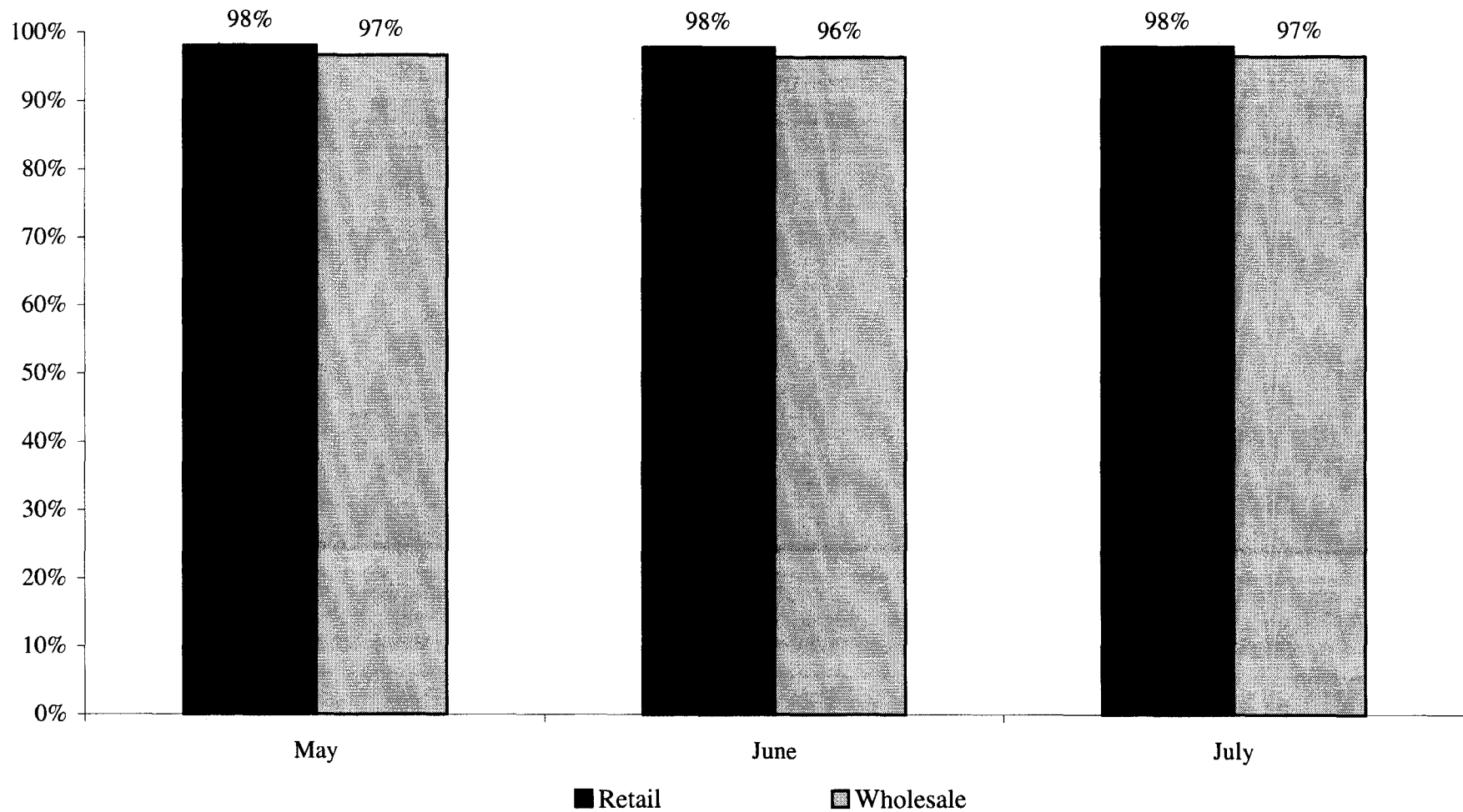
- D. Verizon's on-time performance is confirmed by the carrier-to-carrier missed appointment measure for DSL orders (PR 4-04). While the PAP measure includes new DSL loops, this measure includes all DSL orders (including disconnects and port changes).

From May through July, Verizon made approximately 97 percent of appointments for CLECS.

Percent Completed on Time – New DSL Loop Measured Under Performance Assurance Plan Standards*		
	June	July
PR 4-14	94.62%	95.06%
PR 4-15	97.72%	97.79%
PR 4-16	94.42%	95.71%
PR 4-17	97.72%	98.54%
PR 4-18	NA	NA
Weighted Average	96.8%	97.5%

*PAP excludes facilities misses

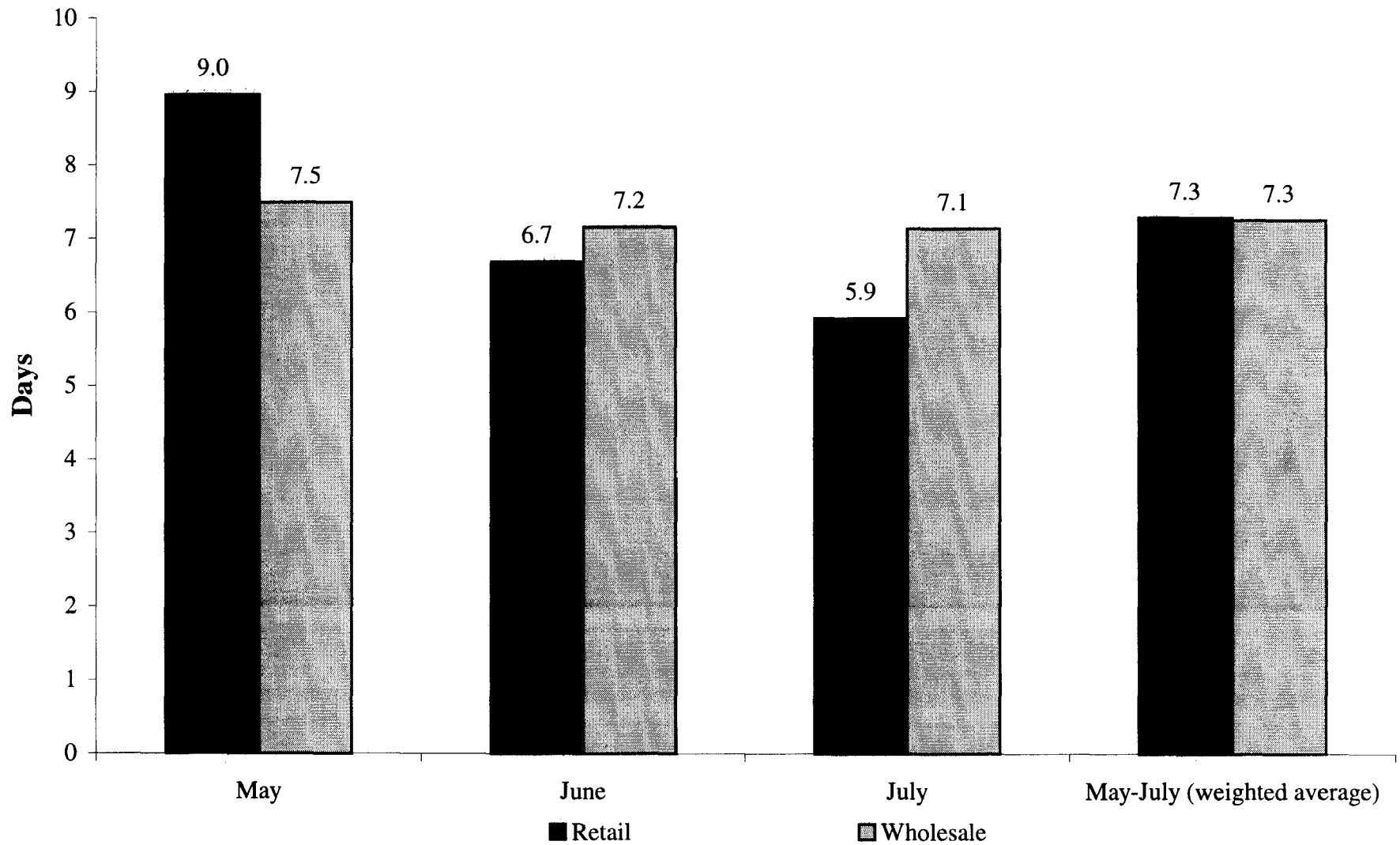
Percent Installation Appointments Met* All DSL Orders



* Inverse of PR 4-04

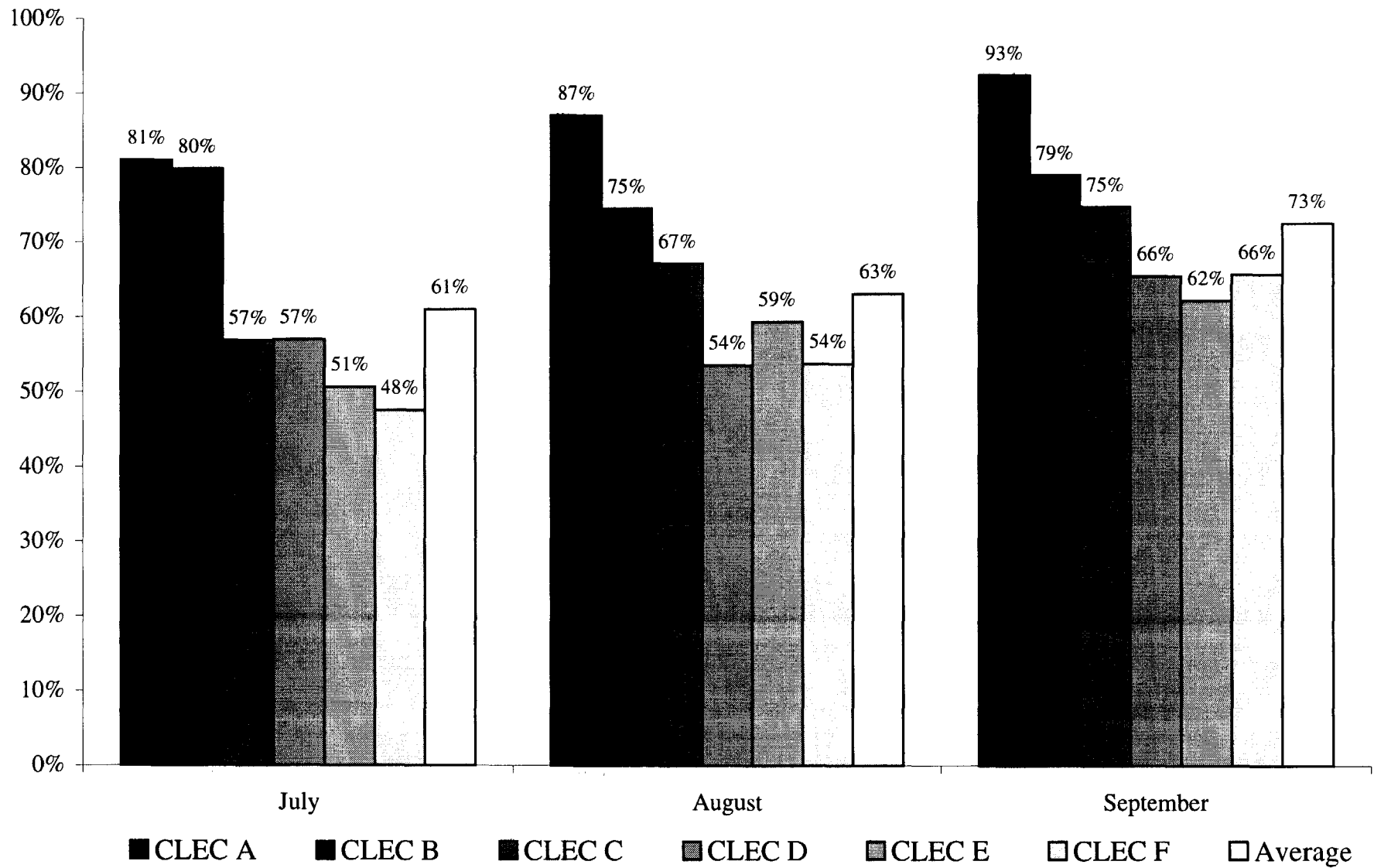
- E. The weighted average completion interval is virtually identical for Verizon and CLECs from May to July, PR 2-02 (dispatch).
1. This is true even without adjusting for the fact that CLECs submit DSL loop orders that have not been pre-qualified (and which have longer installation intervals).
 2. This is true even without adjusting for the fact that CLECs frequently request longer intervals than those available to them.
 3. The FCC previously found that these factors should be taken into account, recognizing that interval measures can be “flawed” because they are affected by “factors outside of [Verizon’s] control and unrelated to the timeliness and quality of [Verizon’s] provisioning.” New York Order ¶ 202.

Average Interval Completed (Dispatch), PR-2-02



- F. The percent of orders completed in 6 days (PR-3-10), which is new in July, is not a measure of on time performance.
1. It compares the percent of CLEC DSL orders completed within six days to the percent of residential second lines completed within six days.
 2. This measure is not a valid measure of Verizon's performance because it includes several factors outside Verizon's control:
 - a. It includes CLEC orders that have not been pre-qualified and require up to three extra days.
 - b. It includes CLEC orders that ask for longer than 6 days.
 - c. It includes facilities misses.
 3. The retail comparison is residential second lines, which have a standard interval of 5 days or SMARTS clock, whichever is longer.
 4. The DTE concluded that the fact that the reported interval measures have "not yet reached formal parity . . . does not . . . support a finding of non-compliance with the requirements" of the checklist. DTE Eval. at 305.
 5. As noted above, the FCC has found that interval measures such as this are "flawed" because they are affected by "factors outside of [Verizon's] control and unrelated to the timeliness and quality of [Verizon's] provisioning." New York Order ¶ 202.

CLEC Pre-Qualified DSL Loops



- G. August and September provisioning results were affected by a one-time event -- Verizon did not provision dispatch orders during the strike for retail or wholesale customers -- and should not be considered. The application demonstrated that Verizon provides non-discriminatory service under normal operating conditions.
1. In fact, by the end of August, Verizon completed more CLEC orders that were missed during the work stoppage than retail orders. This caused reported performance results to appear out of parity because orders appear in the provisioning measurements in the month in which they are completed.
 2. Verizon's service to CLECs continued to be strong when the impact of the strike is taken into account. September's provisioning results show that Verizon's performance for CLECs was at parity with or better than its retail performance when the remaining strike-affected orders are removed.
 3. Covad's CEO confirmed that Verizon's efforts to clear the work stoppage-related backlog for CLECs were successful: "I will give them a lot of credit. They have done a wonderful job....And it has been surprising how well they have rebounded in terms of meeting service expectation for me." Interview with Robert Knowling on RadioWallStreet.com at 6. (October 6, 2000)

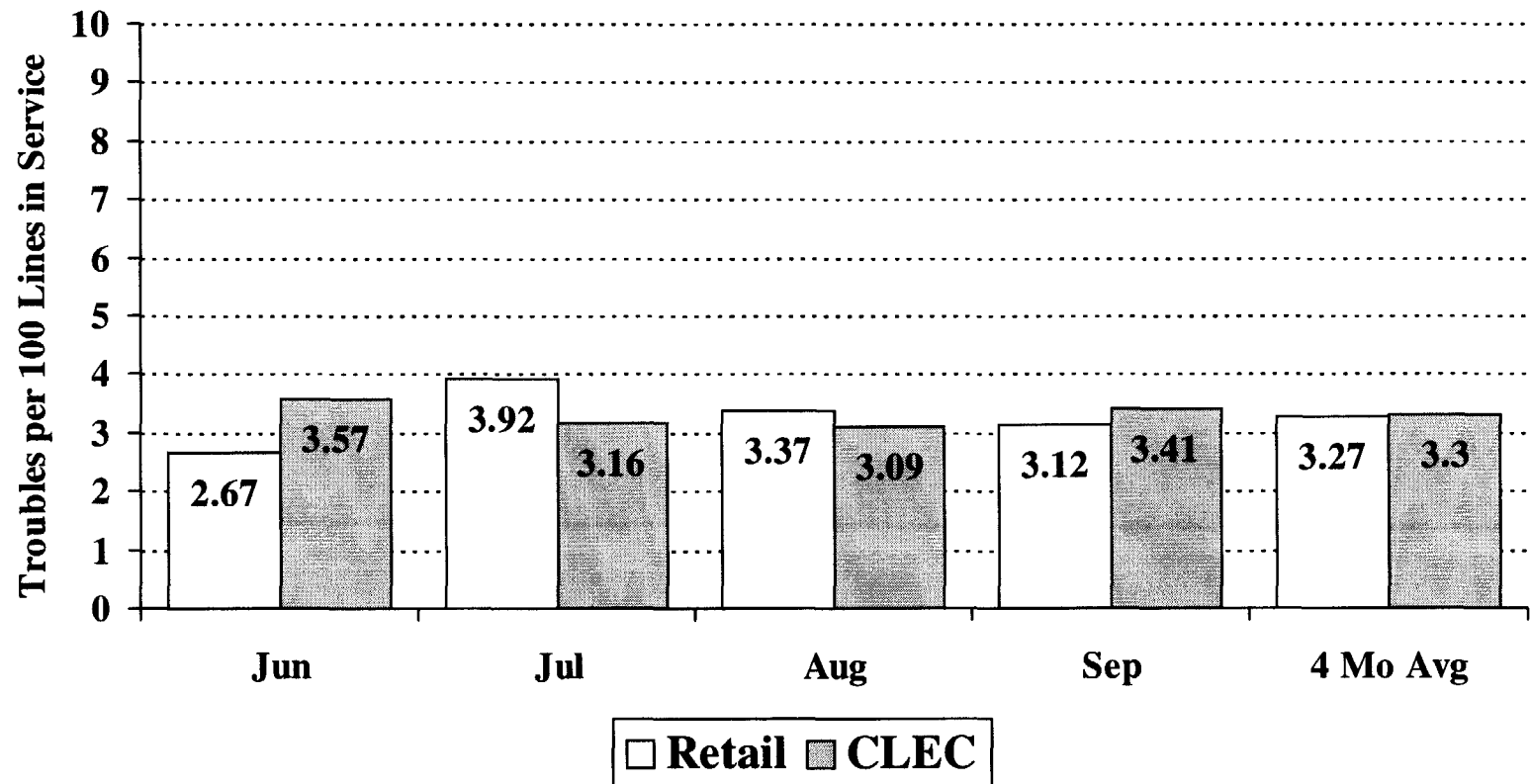
V. Loop Quality

- A. The DTE found: “VZ-MA provides nondiscriminatory access to loop installation for xDSL loops.” DTE Eval. at 314.
- B. The best measure of overall DSL loop quality is the overall Trouble Report Rate (which includes all troubles reported on DSL loops).

The weighted average of the trouble report rates for retail and wholesale DSL over a four-month period demonstrates parity.

DSL Trouble Report Rates

(Retail DSL vs. CLEC DSL)

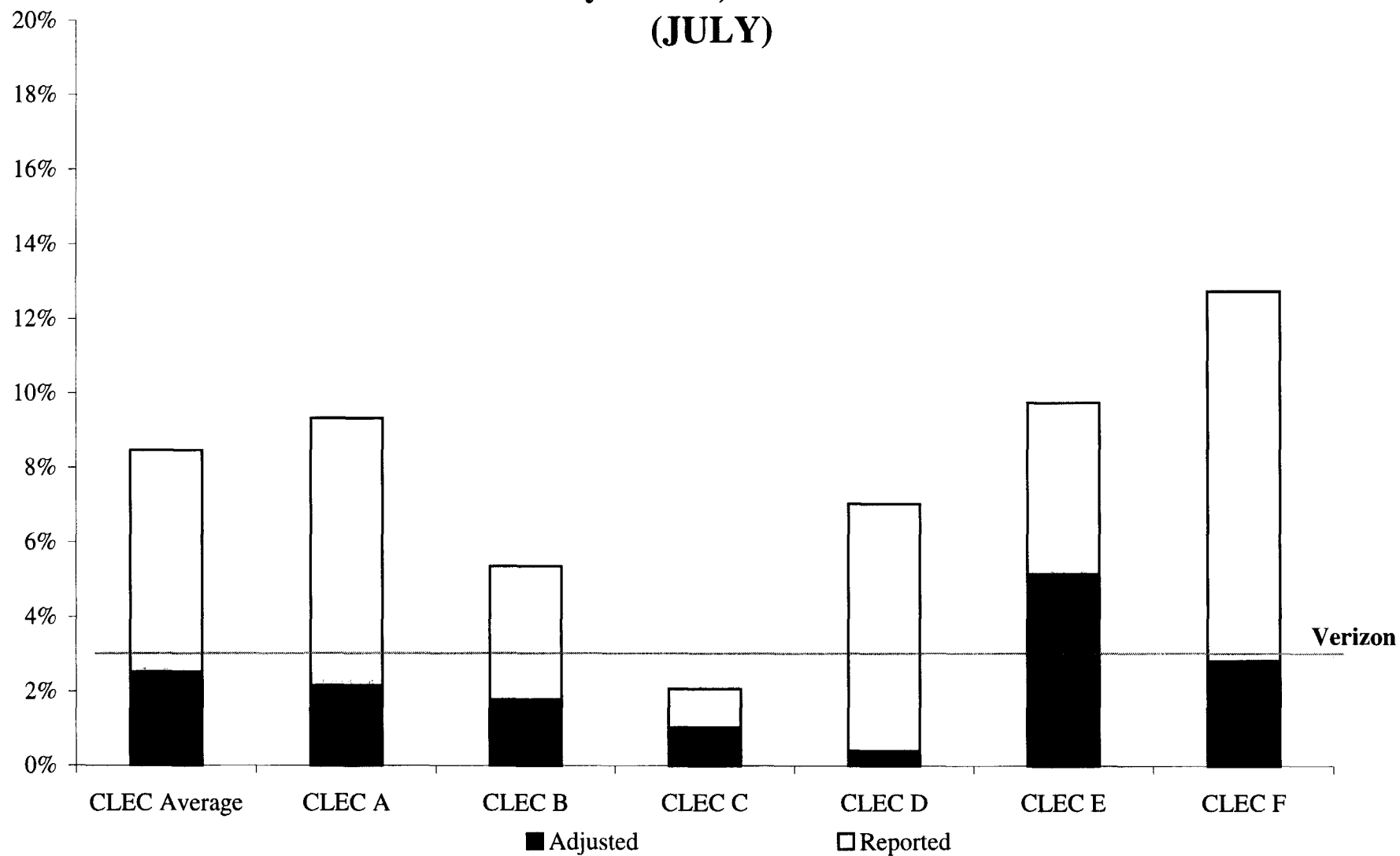


- C. While the reported results for one subset of the overall Trouble Report Rate -- those reported within 30 days of installation -- show a difference between retail and wholesale, these results reflect CLEC behavior.
 - 1. Verizon performs acceptance testing with CLECs, which allows CLECs to test DSL loops at the time of their installation to verify that they are working.
 - a. The CLEC provides Verizon with a serial number at the time the loop is installed to certify that it is working.
 - b. Verizon receives serial numbers for approximately 70% of the loops on which CLECs submit trouble reports within 30 days of installation.
 - c. A properly performed test by the CLEC would have revealed the problem so that it could be corrected at the time of installation.

2. The CLECs are accepting loops that are not suitable for DSL, in many cases intentionally.
 - a. Covad: "The process that Covad experiences, if Bell Atlantic provisions the loop and through Harris testing we discover it has, for example, load coil on it, the way that is dealt with is through a trouble ticket. We have to call Bell Atlantic and open up a trouble ticket. Bell Atlantic has a commitment to clear a trouble ticket in 24 hours." Application, App. B, Tab 233 at 3247.
 - b. Covad reiterated in July that it accepts loops it knows do not support DSL service. DTE Reply Comments at 79-80 & n.263.
 - c. Vits: "Our approach has been the same manner with the trouble report. They have two or three days' turnaround time repairing those, depending on how many load coils they have and how much work is involved." Application, App. B, Tab 233 at 3248.

3. The DTE concluded that it would “not accord a significant amount of weight to this metric” (PR 6-01) because Verizon’s performance had been skewed by “the conduct of some CLECs in playing an angle in the system.” DTE Eval. at 313-14.
4. Adjusted results show parity.

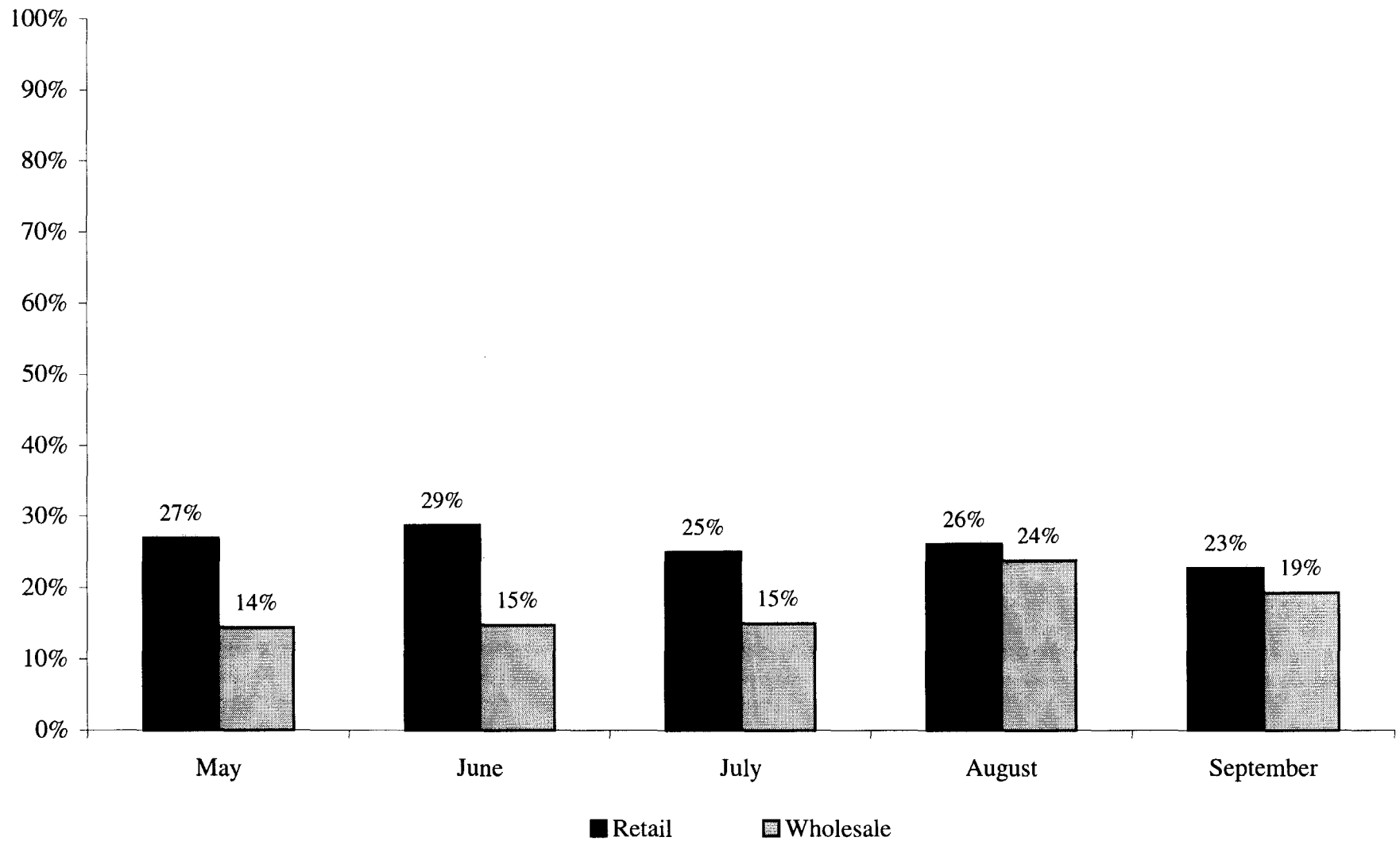
Installation Trouble Reports By CLEC, PR 6-01 (JULY)



- D. The rate of repeat trouble reports within 30 days is actually lower for CLECs than for retail.

“This metric demonstrates that once CLECs receive loops that are appropriate for xDSL service, they experience fewer problems than VZ-MA.” DTE Eval. at 321.

Percent Repeat Trouble Reports Within 30 Days, MR 5-01



VI. Maintenance and Repair.

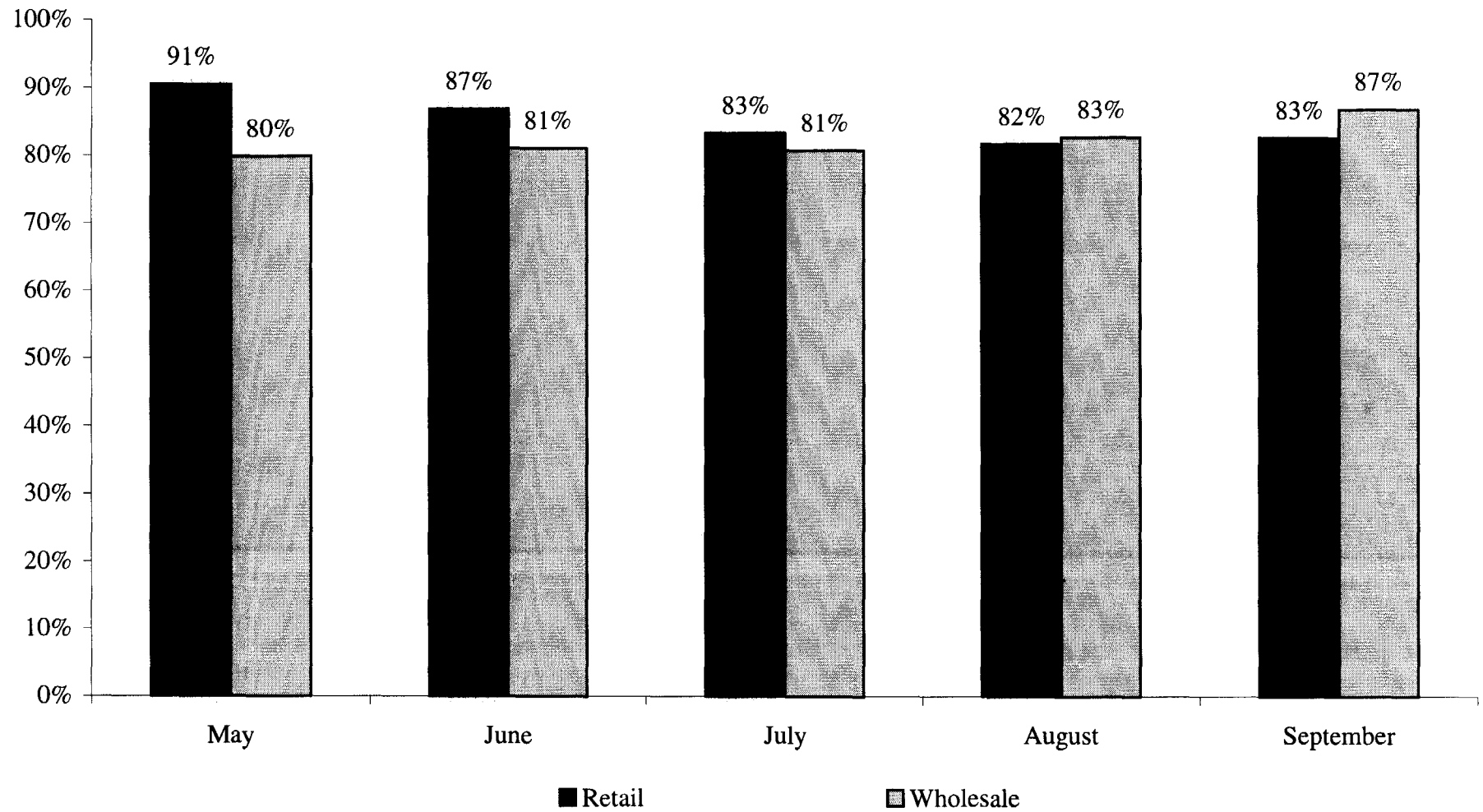
A. The DTE found: "VZ-MA provides maintenance and repair for CLEC xDSL loops in substantially the same time and manner as it does for retail customers." DTE Eval. at 322.

B. Verizon's on-time repair performance demonstrates parity.

The measure of missed repair appointments shows parity (MR 3-01).

C. As noted above, the measure of repeat trouble reports shows fewer repeat reports for CLECs (MR 5-01).

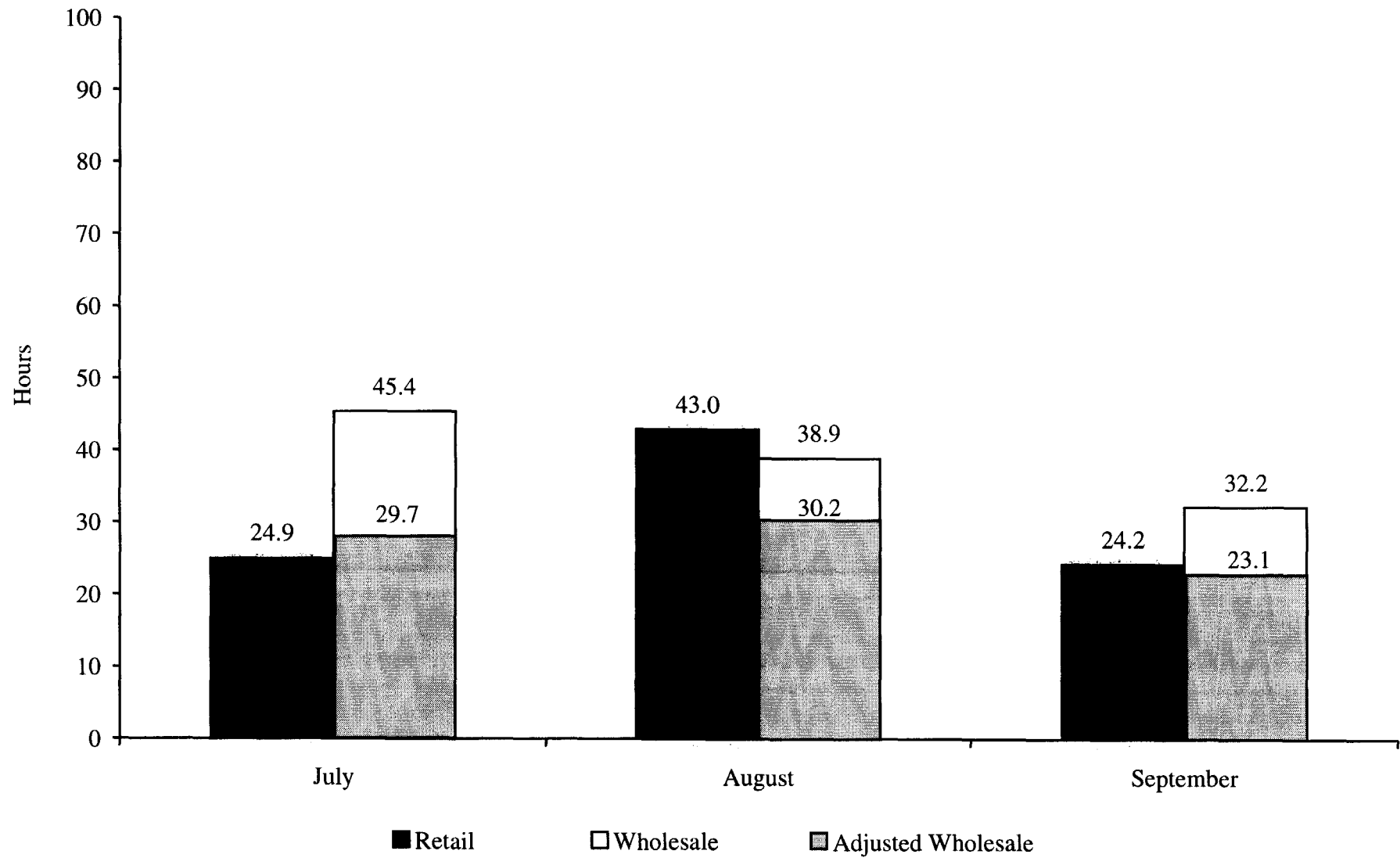
Percent Appointments Met* Loop Troubles



* Inverse of MR 3-01

- D. Interval measures such as mean time to repair are affected by CLEC behavior (MR 4-01).
1. The DTE found that “VZ-MA’s maintenance and repair performance is hindered by” CLEC practices:
 - a. “CLECs’ inability to identify the source of the trouble.”
 - b. “[T]he propensity of some CLECs to accept loops they concede are unable to support xDSL service absent additional work by VZ-MA technicians.”
 - c. “[T]he preference for Monday and not weekend repair appointments.” DTE Eval. at 320.
 2. The DTE found: “[A]scribing the consequence of a CLEC business decision to a purported VZ-MA failure appears unwarranted.” DTE Reply Comments at 80.
 3. Adjusting for just the latter two factors shows parity.

Mean Time to Repair, MR 4-01



VII. Conclusion: Verizon meets the checklist.

- A. The DTE found: “VZ-MA is performing as a wholesale provider should. It gives CLEC customers the service they request.” DTE Eval. at 306.
 - 1. The DTE replicated Verizon’s DSL measures:
 - a. Its “results matched VZ-MA’s reported performance exactly in all but four instances. . . . [T]he differences in these four cases are the result of rounding error and not misreporting on the part of VZ-MA.” DTE Reply Comments at 22-23.
 - 2. The DTE evaluated Verizon’s explanations:
 - a. “With the exception of one VZ-MA study related to longer provisioning intervals . . . all of VZ-MA’s justifications for its performance data were addressed in its May and August, 2000, filings and during the August technical sessions.” DTE Reply Comments at 61-62.

- B. Verizon will continue to provide good service.
1. Verizon has a strong business incentive to provide good wholesale service to avoid losing customers to facilities-based cable providers.
 2. The PAP approved by the DTE includes key measures of DSL performance.
 3. Once the Performance Assurance Plan is effective, Verizon will follow the Plan (including, if appropriate, seeking a waiver for certain measures) in providing bill credits to CLECs, even if particular measures are flawed.
 4. The first annual review of the New York PAP is underway, and modifications adopted there will also apply to Massachusetts.
 - a. The DTE already has decided to make DSL a separate mode of entry which will put dollars at risk based just on Verizon's *overall* DSL performance for CLECs.
 - b. Verizon has proposed to substantially increase the number of DSL-specific measures included in the PAP.
 - c. The Massachusetts DTE has stated that its approach going forward, "Without limiting our right to evaluate potential changes or additions to the adopted metrics, is to incorporate into the Massachusetts PAP whatever new metrics, if any, the New York PSC adopts for the New York PAP." DTE 99-271, *Order adopting Performance Assurance Plan* at 26 (App. B, Tab 559).

- C. Verizon's Separate Data Affiliate is now fully operational in Massachusetts, more than a month before it is required to be by the merger order.

As the FCC has concluded, the Separate Data Affiliate will ensure continued non-discriminatory performance in the future: Establishment of separate data affiliate provides "further assurance that competing carriers . . . will have nondiscriminatory access to xDSL-capable loops. . . ." New York Order ¶¶ 330-331